

ASSURANCES

42 CFR 447.253 (a)---State Assurances

In accordance with 42 CFR 447.253, the Indiana Family & Social Services Administration submits the following assurances and related information regarding Medicaid payments for long term care services in Nursing Facilities (NF's), Intermediate Care Facilities for the Mentally Retarded (ICF/MR) and Community Residential Facilities for the Developmentally Disabled (CRF/DD). The requirements set forth in paragraphs (b) through (i) of 42 CFR 447.253 are being met and the Department complies with all other requirements of this subpart.

The subject matter of this State Plan Amendment is informational and relates to the application of the Medicaid long term care rate setting criteria, currently found in the Indiana Medicaid State Plan at attachment 4.19D pages 1 through 66, and the use of that criteria in generating OBRA specific Medicaid rate increases for NFs. The amendment appears as an additional page at the end of section 4.19D which before this amendment finished at page 66.

42 CFR 447.253 (b) (1) (i)---Payment Rates

The Indiana Family & Social Services Administration, Office of Medicaid Policy & Planning pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations and quality and safety standards.

42 CFR 447.253 (b) (1) (iii) (A)---Payment Rates

The Indiana Family & Social Services Administration through its Medicaid rate setting criteria at 470 IAC 5-4.1 has developed methods and standards in determining Medicaid payment rates that take into account the nursing facility costs required to comply with resident rights, admission, transfer and discharge rights, resident behavior and resultant facility practices, quality of life, resident assessment, quality of care, nursing services for various case mix levels of care, dietary services, physician services, specialized rehabilitation services, pharmacy services, dental services, infection control, physical environment, proper administration, availability agreements with swing bed hospitals, plus all other requirements specified at 42 CFR 483 Subpart B.

42 CFR 447.253 (b) (1) (iii) (B)---Nursing Care Waivers

The Indiana Family & Social Services Administration through its Medicaid rate setting criteria at 470 IAC 5-4.1, has developed methods and standards in determining Medicaid payment amounts to nursing facilities that take into account potential reductions in facility costs associated with granting of waivers to provide licensed nurses on a 24 hour basis, and incorporates the final impact of those waivers into appropriate rate setting adjustments for long term care facilities.

42 CFR 447.253 (b) (1) (iii) (C)---Public Information

The State Medicaid agency has established procedures under which the data and methodology used in establishing payment rates to nursing facilities can be and is made available to the public. Such methods include the generation of provider profiles on each Medicaid rate case calculated, the collection, retention and systematic summarization of provider cost report data through an automated Long Term Care Information System, the proper publication of rate setting criteria rules and the making available of all of the above cited information to interested parties through various means.

42 CFR 447.253 (b) (2)---Upper limits

The State of Indiana, through the IFSSA, has determined that the estimated average proposed Medicaid payment rate calculated with the reimbursement rules promulgated at 470 IAC 5-4.1 is reasonably expected to pay no more in the aggregate for long term care facility services than the amount the Department reasonably estimates would be paid for those services under payment limits referred to in 42 CFR 447.272 (Medicare principles of reimbursement).

42 CFR 447.272 (b)---Upper Limits (State Operated Facilities)

The State of Indiana, through this Department, issues reimbursement rates to State operated facilities and estimates that the average proposed Medicaid payment rate to each group of State operated facilities, which could include hospitals, nursing facilities, and nursing facilities for the mentally retarded, is reasonably expected to pay no more in the aggregate for long term care facility services than the Department reasonably estimates would be paid for services under the Medicare principles of reimbursement.

42 CFR 447.253 (d) --Asset Valuation, Change in ownership of NFs and ICfs/MR

In conformance with 42 USC 1396 (a) (13) (C) (i) and (ii) otherwise known as 1902 (a) (13) (C) of the Act, the Office computes payment rates that include a capital return factor that can be expected not to increase Medicaid payment rates in the aggregate, simply because of the change in ownership, more than Medicare payments would yield using sections 413.130, 413.134, 413.153 and 413.157. This capital return factor limit which applies to ownership transfers from 7-18-84 through 10-1-85, reimburses for depreciation, interest on capital indebtedness, return on equity capital, and takes into account acquisition costs which were previously reimbursed to prior owners as well as allowing for the recapture of depreciation.

For ownership transfers on or after 10-1-85, The State of Indiana through this Office, has adopted regulations which mirror the language at 1902 (a) (13) (C) of the Act, limiting the capital return factor component of Indiana long term care facility rates to those limits established by the above cited legislation and as stated in the Code of Federal regulations at 447.253 (d) (2) (i) or (ii), whichever is applicable.

42 CFR 447.253 (e) ---Provider Appeals

The State of Indiana, through the IFSSA, provides for an administrative review and appeal procedure whereby long term care providers may submit additional evidence and request prompt administrative review of payment rates, as evidenced by 470 IAC 5-4.1-27.

42 CFR 447.253 (f) ---Uniform Cost Reporting

The State of Indiana, through the IFSSA, requires providers of long term care facility services to submit uniform cost reports of IFSSA design, as evidenced by 470 IAC 5-4.1-2 (k), 5-4.1-4, and 5-4.1-5.

42 CFR 447.253 (g) ---Audit Requirements

The State of Indiana, through the IFSSA, provides for periodic field audits of long term care facility financial and statistical records as evidenced by 470 IAC 5-4.1-1 (c), 470 IAC 5-4.1-2 (j) and 470 IAC 5-4.1-3.

42 CFR 447.253 (h) ---Public Notice

The State of Indiana, through the Office, complies with all public notice requirements as set forth in the CFR at 447.205. This amendment contains "no change" in methods or standards for setting payment rates thus there is no public notice requirement. Each NF has received an individual rate notice conveying its specific rate.

42 CFR 447.253 (i)---Rates Paid

The State of Indiana, through this Office, utilizes long term care facility reimbursement rates which have been determined in accordance with methods and standards which are specified in an approved State Plan. The reimbursement rates have been computed in accordance with the rules at 470 IAC 5-4.1 et. seq. (1988 ed.) as found at attachment 4.19D of the Indiana approved State Plan.

OBRA 1987 Assurance

The State of Indiana, through this Department, has submitted State Plan amendment 90-8, effective 10-1-90, said amendment having been approved by HCFA, which takes into account the costs of nursing facility compliance with the requirements of section 1919 (b)--- (other than paragraph 3 F thereof (c) and (d)). These identified costs are being converted into average proposed payment rate adjustments to nursing facilities as detailed in the State Plan and as required by OBRA '87. The attached amendment provides more specific detail on the OBRA rate increase effective 10-1-92.

OBRA 1990 Assurance

The State of Indiana, through this Department, and through this document, provides the assurance that the Department has adopted reimbursement criteria that takes into account the costs, including the costs of services required to attain or maintain the highest practicable physical, mental, and psychosocial well-being of each resident eligible for benefits, as required by Section 1902(a)(13)(A)/42 U.S.C. 1396a(a)(13)(A), and as specified in OBRA 1990, Public Law 101-508.

ASSURANCES END

State: Indiana

HCFA-179 # _____ Date Rec'd _____
Supersedes _____ Date Appr. _____
State Rep. In _____ Date Eff. _____
Attachment 4.19D
Page 68

OBRA '87 AND '90 MEDICAID NF COST RECOGNITION & RATE INCREASE
FOR FEDERAL FISCAL YEAR 1994 EFFECTIVE 10-1-93

The Indiana Office of Medicaid Policy & Planning annually computes facility specific rates for Medicaid enrolled nursing facilities using a prospective methodology that requires nursing facilities to submit annual reports of budgeted costs for a projected rate year.

Based on information contained in the Office's Long Term Care Information System gathered from all Medicaid enrolled nursing facility provider's budgeted cost reports as of March 1993, the following information is provided indicating the OBRA rate increase for federal fiscal year 1994. Because the effective date for this amendment will be 10-1-93, the projected statewide average Medicaid rate effective 9-30-93 is used to provide the base rate for the increase information. The rate is broken down into two components, the rate with OBRA costs included prior to 10-1-93, the OBRA increase on 10-1-93 and the final nursing facility single statewide average rate with OBRA cost increases on 10-1-93. This information is provided as required by Section 4211 (b) (2) of OBRA 1987.

The rate information specific to OBRA is determined as follows. Medicaid NF rates are calculated in conformity with the provisions outlined in this plan at pages 1 through 65 of attachment 4.19D. These pages are incorporated by reference to provide the basic rate setting methodology. In addition to these provisions, to segregate and arrive at OBRA specific cost increases allowable for rate recognition, Medicaid has compared NF costs for historical periods prior to and after 10-1-92, documented and categorized the cost increases, reduced the cost increases by the GNP/IPD inflator for the period in order to reduce cost increases to true operation increases, identified those costs that are attributable to OBRA requirements that necessitated additional expenditures by NFs after 10-1-90, and converted those costs to a per-patient-day increase as reflected by the following rate information.

THE EFFECTIVE DATE FOR INFORMATION ON THIS CHART IS 10-1-93

OBRA RATE YEAR	SINGLE STATEWIDE AVERAGE NF RATE EFFECTIVE 10-1-93 WITH PRIOR OBRA INCREASES INCLUDED	10-1-93 OBRA INCREASE	SINGLE STATEWIDE AVERAGE NF RATE WITH OBRA INCREASE 10-1-93
1993	\$68.90	.04 ppd	\$68.94 (0006)

TN 93-016
Supersedes:
None

Approval Date 3-28-94

RECEIVED
Effective 10-1-93
MAR 15 1994

HCFA-V-DMCD-MOL

The OBRA rate increase of .04 ppd. represents the increase of cost recognition for the following listed OBRA '87 requirements. The prior .72 ppd. when added to this .04 increase represent a total increase of .76 ppd. since 10-1-90 for OBRA cost recognition.

COST RECOGNITION CATEGORIES

1. Resident's Rights-Transfer and Discharge Requirements 42 CFR 483.12(a)(5)(ii), consisting primarily of requirements to implement a resident appeal procedure associated with transfer and discharge of residents.
2. Other Staffing Requirements-Social Service Qualifications 42 CFR 483.15(g)(2)(ii) and 483.15(g)(4), requirement for and minimum qualification standards of a social worker for facilities with more than 120 beds.
3. Resident Assessment-42 CFR 483.20, requirement regarding frequency, timing and accuracy of resident assessments.
4. Plans For Care-42 CFR 483.20(d), requiring changes in timing and content of the resident care plan.
5. Resident Assessment Discharge Summary-42 CFR 483.20(e)(3), additional requirements to develop a discharge plan.
6. Nurse Staffing Requirements-42 CFR 483.30, requiring increase in nurse staffing resources in Indiana NFs with fewer than 40 beds to reach one full time equivalent RN.
7. Other Staffing Requirements-Dental Services 42 CFR 483.55, requiring increased responsibility placed on NFs to ensure resident's receipt of needed dental care.
8. Other-Inflation Applied Against 10-1-90 Cost Recognition

<u>CATEGORY</u>	<u>COST RECOGNITION</u>	<u>PPD RATE INCREASE</u>	<u>PERCENT OF TOTAL INCREASE</u>
1	\$ 45,760	.0050	.7
2	\$ 4,192,100	.4589	60.8
3	\$ 468,104	.0512	6.8
4	\$ 465,122	.0509	6.8
5	\$ 272,091	.0298	3.9
6	\$ 343,036	.0449	5.0
7	\$ 739,515	.0809	10.7
8	\$ 365,413	.0400	5.3
TOTALS	\$ 6,891,141	.7616	100.0

TN 93-016
Supersedes
None

Approval Date 3-28-94 Effective 10-1-93

The Office of Medicaid Policy & Planning, State of Indiana has submitted Medicaid state plan amendment TN 94-007 (reimbursement reform for large private ICFs/MR and small private group homes--CRFs/DD) and state plan amendment TN 94-019 (reimbursement changes resulting from a provider assessment program and rate rebasing for large private ICFs/MR and small private group homes--CRFs/DD). These amendments, in addition to making changes to the reimbursement criteria for the provider types mentioned, segregates the entire rate setting criteria for large and small private ICFs/MR from the criteria for nursing facilities. Upon approval by HCFA of those amendments, which carry an effective date of 7-1-94, the Indiana Medicaid state plan will no longer have rate setting criteria embodied in one amendment that contains rate setting criteria for all types of long term care facilities.

Upon approval of the above-mentioned amendments, and until such time as new amendments can be submitted and approved with exclusive language for "nursing facilities" and for "state operated ICFs/MR":

EFFECTIVE 7-1-94, THE REIMBURSEMENT CRITERIA CONTAINED AT PAGES 1 THROUGH 68-A OF ATTACHMENT 4.19D OF THE CURRENT EDITION OF THE MEDICAID STATE PLAN IS NULL AND VOID AS IT RELATES TO RATE SETTING FOR:

1. LARGE PRIVATE ICFs/MR, and
2. SMALL PRIVATE ICFs/MR (GROUP HOMES)

TN 94-020
Supersedes:
None

Approval 4-6-95 Effective 7-1-94

RELATED INFORMATION

42 CFR 447.255 (a) -- Proposed Rate

The attached amendment TN 93-016 is related to NF payment rate additions resulting from OBRA 1987 legislation. The Family & Social Services Administration has submitted a Medicaid informational document which is the body of amendment TN 93-016 for which the Department seeks approval. This informational document results from state plan reporting requirements stated at Section 4211 (b) (2) of OBRA 1987.

The chart that follows provides a comparison of the rates of reimbursement prior to OBRA cost recognition and post recognition and incorporation of such costs into the NF rate for various NF providers in Indiana.

PROVIDER TYPE	RATE TYPE	PRIOR TO AMENDMENT	POST AMENDMENT	NET CHANGE	% OF CHANGE
NF	Blended Statewide Average	\$ 68.90 ppd	\$ 68.94 ppd	.04 ppd	.0006

42 CFR 447.255 (b) (1)

The Department estimates that for the short term, and for the long term, this proposed change in Medicaid rates will have no adverse impact on the availability of services either statewide or in any geographic area in nursing facilities.

42 CFR 447.255 (b) (2)

The Department estimates that for the short term, and for the long term, this proposed change in Medicaid rates will have no adverse impact on the type of care furnished by nursing facilities. Nursing facilities in this state provide a full spectrum of nursing facility services in accordance with the mandates of comprehensive licensure rules. There is no decrease in the NF rates of reimbursement as detailed in the amendment there is no anticipated negative impact.

42 CFR 447.255 (b) (3)

The Department estimates that for the short term, and for the long term, this proposed change in Medicaid rates will have no adverse impact on the extent of provider participation. Additionally, Indiana currently has and will continue to have adequate Medicaid NF beds available to serve the needs of long term care Medicaid

HCFA-179 # 93-016 Date Rec'd 6-3-93
Supersedes NONE Date Appr. 3-28-94
State Rep. In _____ Date Eff. 10-1-93

eligibles in this state, that availability existing statewide in all regions for all care and intensity levels.

42 CFR 447.255 (b) (4)

This plan amendment relates to reimbursement for nursing facilities and does not address the costs associated with delivering service to Medicaid patients served by hospitals serving disproportionate numbers of low income patients with special needs, thus related information concerning the cost recognition or reimbursement of hospitals under normal hospital reimbursement criteria as well as augments to the hospital reimbursement by way of disproportionate share payments is not an issue for related information in this document. Aside from that, Indiana compensates disproportionate share hospitals with enhancements to their normal cost reimbursement with an approximate \$168,000,000 annually of disproportionate share payments in accordance with approved state plan amendments numbered TN 91-7 and 91-7B.

RELATED INFORMATION-END

HCFA-179 # 93-016 Date Rec'd 6-3-93
Supersedes NON Date Appr. 3-28-94
State Rep. In _____ Date Eff. 10-1-93

ASSURANCES

42 CFR 447.253 (a)---State Assurances

In accordance with 42 CFR 447.253, the Indiana Family & Social Services Administration submits the following assurances and related information regarding Medicaid payments for long term care services in Nursing Facilities (NF's), Intermediate Care Facilities for the Mentally Retarded (ICF/MR) and Community Residential Facilities for the Developmentally Disabled (CRF/DD). The requirements set forth in paragraphs (b) through (i) of 42 CFR 447.253 are being met and the Department complies with all other requirements of this subpart.

The subject matter of this State Plan Amendment is informational and relates to the application of the Medicaid long term care rate setting criteria, currently found in the Indiana Medicaid State Plan at attachment 4.19D pages 1 through 67, and the use of that criteria in generating OBRA specific Medicaid rate increases for NFs. The amendment appears as an additional page at the end of section 4.19D which before this amendment finished at page 67.

42 CFR 447.253 (b) (1) (i)---Payment Rates

The Indiana Family & Social Services Administration, Office of Medicaid Policy & Planning pays for long-term care facility services through the use of rates that are reasonable and adequate to meet the costs that must be incurred by efficiently and economically operated providers to provide services in conformity with applicable State and Federal laws, regulations and quality and safety standards.

42 CFR 447.253 (b) (1) (iii) (A)---Payment Rates

The Indiana Family & Social Services Administration through its Medicaid rate setting criteria at 470 IAC 5-4.1 has developed methods and standards in determining Medicaid payment rates that take into account the nursing facility costs required to comply with resident rights, admission, transfer and discharge rights, resident behavior and resultant facility practices, quality of life, resident assessment, quality of care, nursing services for various case mix levels of care, dietary services, physician services, specialized rehabilitation services, pharmacy services, dental services, infection control, physical environment, proper administration, availability agreements with swing bed hospitals, plus all other requirements specified at 42 CFR 483 Subpart B.